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JULY 20, 1964

WORLD FOOD PROGRAM AT ITS HALFWAY MARK

FOOD FOR PEACE SHIPMENTS

ISRAEL'S CITRUS MARKETING

FOREIGN AGRICULTURE

Including FOREIGN CROPS AND MARKETS

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FOREIGN AGRICULTURE

Including FOREIGN CROPS AND MARKETS

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U. S. surplus foods shipped under Public Law 480 are often used by the recipient countries to pay workers on development projects. See pages 4-5 for charts and figures on shipments since program began.

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DEPOSITED BY THE
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The WORLD FOOD PROGRAM Now at Its HALFWAY MARK

Milk distribution, Indonesia

This summer, the United Nations World Food Program will have successfully passed its halfway mark. Noteworthy as the first multilateral plan for channeling food from the world's food surplus areas to deficit ones, the program had by the end of May approved 53 projects on four continents.

These projects have two goals: the long-range one of economic development, and the immediate one of feeding undernourished people. To accomplish both, planned use is made of the world's surplus food resources.

To date, pledges of over $91 million in food, services, and cash have been volunteered by over 66 nations around the world to implement the 3-year program.

Something like alchemy—the ancient search for ways to turn base metals into gold—has been evident in the aims of these modern projects. The Program proposes to turn contributions of dried fruit from Australia, tinned mackerel from the Netherlands, and barley from the United Kingdom, into irrigation works in Morocco, better sheep husbandry in Syria, and school canteen construction in Togo.

Food for resettled farmers

Resettlement projects alone, for which the Program will supply food aid, will affect over 100,000 persons.

In Ghana, for instance, as a modern hydroelectric project drives 80,000 persons from their historic homes—when building for the Aksombo Dam floods an area of 3,000 square miles—the program will give aid for the building of houses and roads for 52 new villages, in which the 80,000 will be resettled, and will help with food until the dispossessed can produce new crops.

In the Sudan, assistance worth over $700,000 will feed 50,000 farmers and their families to be moved from the Aswan High Dam area. And in Turkey, food will be used to pay workers building roads, houses, and schools for resettling 900 farm families from the country's overpopulated north to other areas.

More milk for the children of India and Nepal will result from other projects. India's famed Anand cooperative dairy will use over $800,000 in balanced feed mixture for cattle to expand its output to over 1 million tons of milk daily. Nepal will use 100 tons of dried skim milk to tone buffalo milk, proceeds from the sale of which will build 10 milk-collecting stations and a new chilling center to serve the people of Bhadgaon.

Forestry projects in Turkey, Lebanon, and Sudan, watershed improvement in Jamaica, and land reclamation in the Republic of Chad and Taiwan—these are other examples of the development projects to be aided around the world, in which food will often be used as pay or part-pay for project workers.

A third goal of the Program—not concerned with the school and development projects—includes food aid in emergency situations. Among those aided have been the people of Bali, who have received their fifth shipment of disaster relief food since volcanic eruption on the island. War refugees in Africa, like victims of Hurricane Flora in the Caribbean, have benefitted also from world food surpluses.

Some handicaps encountered

The World Food Program has met several serious problems to date. Partly because both the nature and the size of pledges—whether food, cash, or services—are determined by the contributing country, cash received has not constituted a large enough share. Besides, rising ocean freight rates make it increasingly difficult to move commodities on hand. Still another problem, in terms of unplanned food stocks, is maintaining a proper food "mix" or combination for balanced feeding programs.

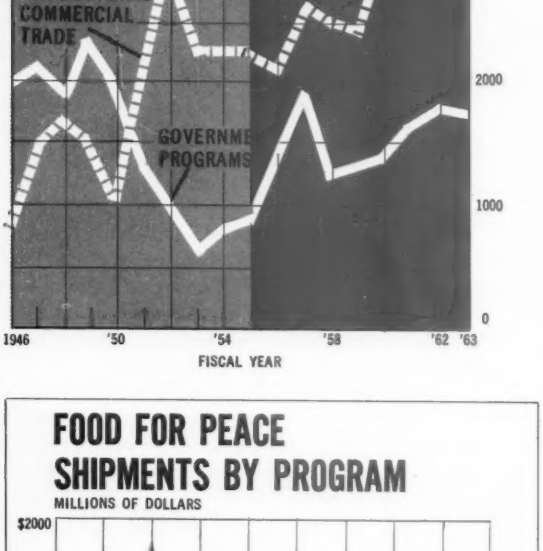
The present 3-year phase of the World Food Program will expire by the end of 1965. Before that time, the U.N. General Assembly, meeting early in 1965, will review the projects in operation, and both the United Nations and the Food and Agriculture Organization Conference in the fall of that year will determine whether or not the Program will be continued beyond the time limit originally planned.

Food for Peace Moves $11.4 Billion in Farm Products

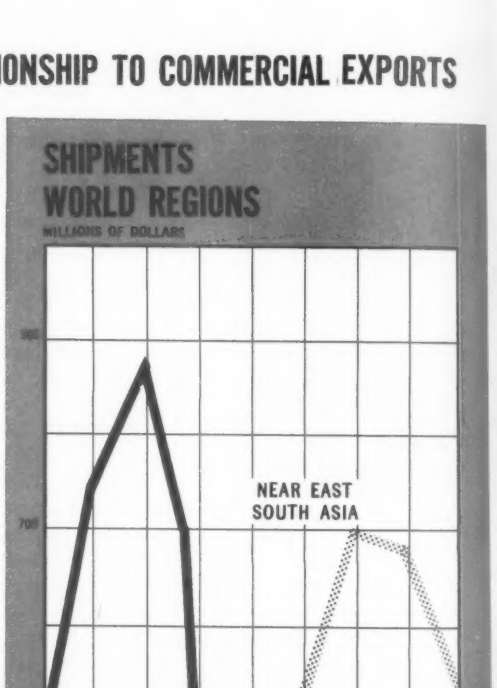
Ten years ago this month the United States under the newly enacted Public Law 480 (Agricultural Trade Development and Assistance Act of 1954) embarked on what is now known as the Food for Peace program. Conceived largely as a means of disposing of our farm surpluses in a constructive way, progressively this law has evolved as an effective support of our trade and foreign policy goals, a major tool in the world's fight against hunger, and a builder of new markets.

From a modest beginning, the program has grown until by the end of calendar year 1963, a total of $11.4 billion worth of U. S. agricultural commodities has been delivered overseas. Whereas only a few ships a month were required during those early days, today an average of five 10,000-ton ships leave American ports every day carrying Food for Peace cargoes. And not only is more food being shipped with more people being fed, but food is being used to help the recipient countries curb inflation and develop their own national resources.

The charts on this page and the table on the opposite page appear in the *Nineteenth Semiannual Report on Public Law 480*, which is available without charge from Program Operations Division, FAS, U. S. Department of Agriculture, Washington, D. C. 20250.



RELATIONSHIP TO COMMERCIAL EXPORTS



DOLLAR VALUE OF COMMODITIES PROGRAMED UNDER TITLE I, P.L. 480, AGREEMENTS SIGNED 7-1-54, THROUGH 12-31-63

Area and country	Wheat and flour	Feed grains	Rice	Cotton	Tobacco	Dairy products	Fats and oils	Other	Total			
									Market value	Ocean transport.[1]	Market value incl. ocean transport.	Est. CCC cost incl. ocean transport
Near East & South Asia:	*Mil. dol.*	*Mil. dol.*	*Mil. dol.*	*Mil. dol.*	*Mil. dol.*	*Mil. dol.*	*Mil. dol.*	*Mil. dol.*	*Mil. dol.*	*Mil. dol.*	*Mil. dol.*	*Mil. dol.*
Burma	------	------	------	42.3	2.7	2.0	------	0.1	47.1	1.8	48.9	66.7
Ceylon	14.0	------	11.7	------	------	------	------	------	25.7	4.0	29.7	42.6
Cyprus	1.9	------	------	------	------	------	------	------	1.9	.3	2.2	3.5
Greece	35.0	52.5	------	------	------	4.4	20.2	------	112.1	13.9	126.0	158.8
India	1,630.7	41.3	165.3	228.8	13.8	7.9	1.0	.1	2,088.9	356.1	2,445.0	3,830.1
Indonesia	29.6	------	138.7	109.3	27.4	------	13.8	------	318.8	27.9	346.7	510.7
Iran	43.1	------	------	------	------	.8	2.8	------	46.7	10.6	57.3	84.2
Israel	104.7	83.3	3.2	5.6	1.6	18.7	34.9	11.0	263.0	28.3	291.3	394.6
Pakistan	557.3	20.6	78.4	[2]50.9	17.8	25.3	175.9	3.0	929.2	136.6	1,065.8	1,479.6
Syrian Arab Republic	26.7	4.6	1.5	------	.2	------	------	------	33.0	5.3	38.3	56.1
Thailand	------	------	------	------	3.9	.2	------	------	4.1	.2	4.3	4.4
Turkey	298.1	21.5	3.5	------	------	2.2	163.6	6.6	495.5	52.8	548.3	759.6
United Arab Republic	532.0	47.6	5.3	------	47.7	.4	75.2	2.7	710.9	94.3	805.2	1,118.8
Total	3,273.1	271.4	407.6	436.9	115.1	61.9	487.4	23.5	5,076.9	732.1	5,809.0	8,509.7
Europe:												
Austria	6.9	15.7	------	9.5	4.8	------	2.4	.2	39.5	3.3	42.8	60.1
Finland	10.5	2.3	------	12.0	14.3	------	------	2.7	41.8	2.1	43.9	57.4
France	------	------	------	23.0	12.6	------	------	------	35.6	.1	35.7	47.2
Germany	------	------	------	------	------	------	------	1.2	1.2	------	1.2	1.2
Iceland	4.3	3.8	.3	.9	3.2	------	.7	1.4	14.6	1.3	15.9	18.7
Italy	1.5	4.8	------	76.9	20.4	------	36.4	([3])	140.0	4.6	144.6	184.3
Netherlands	------	------	------	.2	------	------	------	------	.2	------	.2	.3
Poland	218.5	66.0	1.5	115.0	4.1	3.3	33.8	------	442.2	35.0	477.2	672.7
Portugal	6.3	------	------	------	------	------	------	------	6.3	.9	7.2	13.5
Spain	[4]18.8	40.7	———	[5]119.6	24.9	------	247.2	19.1	470.3	24.6	494.9	557.1
United Kingdom	------	------	------	------	38.0	------	------	10.1	48.1	.4	48.5	48.5
Yugoslavia	380.2	------	------	91.4	------	.5	80.7	3.7	556.5	65.4	621.9	903.7
Total	647.0	133.3	1.8	448.5	122.3	3.8	401.2	38.4	1,796.3	137.7	1,934.0	2,564.7
Latin America:												
Argentina	------	------	.3	------	------	------	29.6	------	29.9	.8	30.7	35.9
Bolivia	16.1	------	.6	2.0	------	1.0	1.4	------	21.1	3.1	24.2	33.8
Brazil	419.4	.6	------	------	.7	1.9	4.1	------	426.7	55.8	482.5	729.1
Chile	29.5	1.7	------	14.0	1.9	------	18.6	.4	66.1	5.9	72.0	96.6
Colombia	35.0	4.1	------	11.9	1.6	.4	9.4	------	62.4	6.9	69.3	91.2
Ecuador	2.9	------	------	1.1	1.8	------	5.1	------	10.9	.8	11.7	14.0
Mexico	------	24.6	------	------	------	------	------	------	24.6	1.0	25.6	41.2
Paraguay	11.6	------	------	------	------	.4	.5	------	12.5	2.4	14.9	22.7
Peru	22.8	------	6.6	------	------	.2	1.8	([3])	31.4	2.6	34.0	54.0
Uruguay	14.0	10.0	------	11.7	8.0	------	------	------	43.7	4.3	48.0	63.0
Total	551.3	41.0	7.5	40.7	14.0	3.9	70.5	.4	729.3	83.6	812.9	1,181.5
Far East & Pacific:												
China (Taiwan)	97.3	1.5	------	41.1	13.1	1.6	10.7	------	165.3	16.2	181.5	254.9
Japan	47.9	13.3	13.7	52.5	7.6	------	------	------	135.0	13.5	148.5	201.6
Korea	142.5	46.7	24.2	114.0	6.6	.3	5.1	8.0	347.4	34.9	382.3	529.5
Philippines	------	------	5.8	25.8	------	1.7	.4	([3])	33.7	2.0	35.7	52.9
Vietnam	14.2	------	5.8	23.8	18.4	19.0	------	------	81.2	6.8	88.0	111.3
Total	301.9	61.5	49.5	257.2	45.7	22.6	16.2	8.0	762.6	73.4	836.0	1,150.2
Africa:												
Congo	11.4	4.0	7.8	.1	[6] 2.6	9.5	------	4.0	39.4	4.8	44.2	53.8
Ethiopia	------	------	------	.9	------	------	------	------	.9	------	.9	1.4
Guinea	3.0	.1	11.2	------	.8	.4	1.0	------	16.5	1.8	18.3	25.7
Morocco	12.7	------	------	.8	.3	------	6.0	------	19.8	2.2	22.0	30.0
Senegal	------	.5	------	------	------	------	------	------	.5	.1	.6	.6
Sudan	8.8	------	------	------	------	------	------	------	8.8	1.9	10.7	15.6
Tunisia	20.3	4.4	------	------	------	------	7.8	------	32.5	4.6	37.1	49.2
Total	56.2	9.0	19.0	1.8	3.7	9.9	14.8	4.0	118.4	15.4	133.8	176.3
Grand total	4,829.5	[6]516.2	485.4	1,185.1	300.8	[7]102.1	[8]990.1	[9]74.3	8,483.5	1,042.2	9,525.7	13,582.4

[1] Includes only ocean transportation to be financed by CCC.

[2] Includes $16 million extra-long staple.

[3] $50,000 or less.

[4] $4.4 million of wheat sold to Spain for resale to Switzerland for financing procurement of Swiss goods by Spain.

[5] Includes $0.3 million, cotton linters; $6.6 million, extra-long staple.

[6]

	Mil. dol.
Corn	294.1
Oats	5.3
Barley	153.9
Grain sorghums	57.0
Rye	5.9

[7]

	Mil. dol.
Condensed milk	21.3
Dry whole milk	8.9
Nonfat dry milk	20.8
Evaporated milk	10.0
Butter, butter oil and/or ghee	35.5
Cheese	4.9
Whey	.1
Dried eggs	.6

[8]

	Mil. dol.
Cottonseed oil and/or soybean oil	891.9
Linseed oil	1.1
Lard	26.7
Tallow and/or grease	70.4

[9]

	Mil. dol.
Fruit: Austria, Burma, Congo, Finland, Iceland, India, Israel, United Kingdom, Yugoslavia	16.7
Seeds: Chile	.4
Potatoes: Spain	1.4
Poultry: Germany, Italy, Turkey, Spain, United Arab Republic, Congo, Pakistan	9.7
Beef: Spain, Israel	28.1
Pork: Korea, Spain	10.0
Beans and peas: Israel, Spain, Yugoslavia, Pakistan, Congo, United Arab Republic	8.0

Chileans Find Sugarbeet Raising a Profitable Venture

Chile's sugarbeet industry—now in its 11th year—has become an important asset to that country's economy. With an output of almost 100,000 metric tons of sugar from about 42,000 acres, this industry in 1963 supplied about 40 percent of Chile's sugar needs, thus saving the country a substantial amount in foreign currency and helping to spur growth in other areas of agriculture.

As one of the developing countries, Chile shares to some extent the characteristics of this group—high rate of population growth, insufficient agricultural production, unbalanced foreign trade, and inadequate diet for its people. In 1945, while seeking solutions to these problems, Chile's National Development Corporation and Ministry of Agriculture began field trials of sugarbeets. Their studies showed that beets could be grown throughout the length of the country's central valley. Subsequently economic studies revealed that commercial sugarbeet cultivation could be an effective tool for agricultural development.

On the basis of this research, the Chilean Government established the Industria Azucarera Nacional S. A. (IANSA) in 1953 for the purpose of building beet sugar-mills and developing sugarbeet production in various areas of the country. Since that time, IANSA has installed three mills—in Los Angeles, Llanquihue, and Linares—which can process up to 1,600 metric tons of sugarbeets daily.

During the early years of operation, IANSA agronomists worked with progressive farmers near the existing mills to establish the source of raw materials. The mills helped, with credit, seeds, fertilizer, and advance contracts for the crop. In addition, they returned dry and wet sugarbeet pulp to the growers without charge. This pulp is a valuable livestock feed.

Once the crop had been established, IANSA concentrated on improving the agricultural and industrial phases of production. Its technicians, working with personnel of the Ministry of Agriculture and universities, investigated factors relating to increased yields, better use of byproducts in livestock feeding, use of fertilizers in different types of soils, pest and disease control, and the behavior of various varieties of sugarbeets in the different producing zones. At the same time, farmers were kept up-to-date on developments in the industry through experiment station meetings and training courses in the use of farm machinery, fertilizer, and sugarbeet byproducts. In recent years, IANSA has focused its attention on small farmers, contracting more sugarbeets from them and giving them technical assistance.

Substantial gains have accrued to the nation as a whole. The sugarbeet industry, which now provides year-round employment for 6,000 farm laborers and 800 millworkers, has spurred economic activity in the cities and towns near the plants, increasing the purchasing power of about 25,000 people. All highways and roads in the producing and processing areas have been improved. And in 1963, the domestic industry saved the government about $22 million in foreign exchange.

IANSA plans to further expand sugarbeet production in Chile, through developing the industry in other areas of the country and building two additional mills. When this expansion program is completed, IANSA will be able to supply about 60 percent of Chile's sugar requirements.

—JEROME M. KUHL
U. S. Agricultural Attaché, Santiago, Chile

Left, beet growers show heifer awarded them for high yields. Below, growers visit IANSA experimental farm. Such visits are part of IANSA's program to improve beet production methods.

Paraguay's Leading Export Crops Hit by Bad Weather Conditions

Unfavorable weather conditions and market prospects for several basic agricultural crops have led to a mixed outlook for Paraguayan agriculture this year. Heavy rains hurt cotton and tobacco crop prospects, the former already affected by earlier semidrought conditions. Coffee crop prospects are only fair, and yerba continues its decline. Tung production will be smaller this year.

Cotton, tobacco, sugar

The cotton harvest began slowly during the latter part of the first quarter of 1964. Although a record area was planted to cotton last year, the 40,000 tons produced in 1963 will probably drop to about 33,000 tons this year, which should produce about 11,000 tons of fiber. Heavy rains in late March and drought conditions last fall during the planting season are mainly responsible for the drop. Production in the Chaco area will be particularly poor this year because of drought conditions. Prices and quality are good, however.

The tobacco crop was partly harvested in the first quarter and will be the smallest since 1961, owing mainly to low prices which discouraged extensive planting last year. For the record 1963 crop of 30,000 tons, some 20,000 hectares of tobacco were planted, but only an estimated 12,000 hectares were planted for this year's crop. There was also some rain damage during the quarter, with the result that the crop may be no greater than 12,000 to 13,000 tons.

Tobacco exports, however, will not suffer the same decline in volume and may actually increase since much of last year's crop was held over for export this year. Prices are firmer this year, about $35-$40 per kilogram for top grades of the current crop and $20 for last year's. Quality is described as fair to poor.

Sugar crop prospects are excellent. All major sugar mills have expanded their processing capacities to meet the increase expected. Last year's crop was 35,105 tons of processed sugar, with about 3,000 tons available for export. This year optimists are talking in terms of 42,000 to 45,000 tons, with 10,000 to 13,000 tons available for export. Prices, reflecting world market conditions, remain high.

Tung and coffee

Some storm damage last December and an off-year in the 2-year tung cycle will lead to lower tung production this year, trade circles report. Lower prices, partially due to increased sales in the world market by Communist China, are also prevalent this year. Prospects indicate oil production for 1964 will be between 5,000 and 6,000 tons. Exports should be higher, however, because of sales in the first quarter of stocks held over from last year.

Coffee producers report that the severe frost in August of last year will reduce this year's crop by 30 to 40 percent, or to about 30,000 bags this year. However, because of substantial increase in world market prices for the high-quality Parana-type coffee grown in Paraguay, returns to producers should be about the same.

Other crops

The market for Paraguayan yerba, once one of the country's leading foreign exchange earners, continues to decline, due mainly to competition from cheaper Brazilian yerba. Revised export statistics indicate a drop in exports of yerba from 7,181 tons in 1962 to 6,918 tons in 1963. A continued decline for 1964 is predicted by the trade. Prices continue to be low, with current sales being made at $122 a ton.

Prospects for the wheat crop are fair, and corn production is reported normal to better-than-normal. Mandioca apparently suffered some damage from heavy rains during the period, so that the outlook is uncertain.

Good Weather Boosts India's Rice Production to New High

Favored by beneficial weather, India's rice production has climbed to an alltime record. The all-India final estimate just released sets the crop at 54,790,000 metric tons, rough basis. This is 6.9 million above the crop of 1962-63 —a year of widespread drought—and 2.5 million above the previous high of 1961-62.

Area sown, at 87,659,000 acres, was 1.4 million above the previous year's and 4 million above 1961-62's. Principal increases occurred in nine of the major producing States. Weather was generally favorable for sowing, except in Orissa and Madhya Pradesh.

Production increases in all of the rice-growing States were due to some extent to more rice being planted but principally to favorable weather throughout the rice season. On a percentage basis, output rose 14 percent, an indication of the wide difference in the yields of the 2 years.

Rough rice yields per acre, at 1,377 pounds, approximated the previous highest yield in 1961-62. These improved yields were well above the average of 1,190 pounds for 1955-56 through 1959-60.

INDIA'S FINAL ESTIMATE OF RICE ACREAGE AND PRODUCTION

State	Acreage		Production (rough)	
	1962-63	1963-64	1962-63	1963-64
	1,000 acres	*1,000 acres*	*1,000 metric tons*	*1,000 metric tons*
Andhra Pradesh	7,532	8,304	5,257	6,391
Assam	4,449	4,557	2,290	2,775
Bihar	12,843	13,134	6,427	6,807
Gujarat	1,303	1,284	568	728
Kerala	1,983	1,988	1,642	1,681
Madhya Pradesh	10,527	10,410	3,538	4,777
Madras	6,340	6,473	5,797	5,881
Maharashtra	3,182	3,271	1,649	2,279
Mysore	2,481	2,501	2,099	2,119
Orissa	10,962	10,641	5,521	6,466
Punjab	1,163	1,177	693	825
Uttar Pradesh	10,571	10,720	4,707	4,914
West Bengal	10,984	11,196	6,621	8,005
Others	2,005	2,003	1,110	1,142
Total	86,325	87,659	47,919	54,790

All India Final Estimate, 1963-64, June 1964.

The Israeli oranges being harvested above must have a license from the Citrus Board before they are marketed.

Israel's Citrus Marketing Under Tight Controls

The creation of a strong, well-organized marketing system after World War II has greatly stimulated Israel's citrus production and export enterprises.

By Norman J. Pettipaw
U. S. Agricultural Attaché
Tel Aviv, Israel

Citrus fruit, primarily oranges and grapefruit, is Israel's most important crop and its largest net export earner. That the citrus industry has been able to achieve this strong economic position after World War II devastation can be attributed to government and private efforts to restore production and to organize an effective marketing system for the industry's output.

Before the war, citrus groves in the area that is now Israel covered 72,000 acres and production had reached a maximum of 500,000 tons. Further expansion was cut short by the war. Production dropped to as low as 180,000 tons, and exports, which had amounted to 474,000 tons in 1938-39, were nil. Production revived for a short period at the end of the war, but fighting in 1947 and 1948 again brought destruction and large-scale abandonment of groves in the entire orange and grapefruit producing area.

Recovery progress

Since those difficult days there has been a long, hard struggle toward recovery. Thousands of acres have been replanted and new areas have been brought under cultivation through irrigation. By 1963, citrus production reached 732,000 tons, far surpassing prewar records, while the area in groves is now approaching 100,000 acres.

Important to the renewal of Israel's citrus industry was the formation of the Citrus Marketing Board (CMB), organized in 1947, and given wide powers over citrus marketing by the Israeli Government.

The Board is composed of representatives of producers chosen by the government as well as one direct government appointee. Instead of dealing directly with individual producers, the Board works through six cooperative marketing associations which are legally recognized as its contractors. These contractors represent such groups as cooperative and collective settlements, private producers, and regional associations. Contractors own and operate packinghouses, make advances and final payments to producers, and aid growers through a variety of services from supplying fertilizer to procuring seasonal labor. Producers are free to choose the particular contractor through which they wish to market their fruit.

Marketing plan

Every year, before the harvest begins, the Citrus Marketing Board develops a comprehensive marketing plan. In the plan, the Board decides that portion of the crop for export, the amount needed for fresh local consumption, and the share destined for the processing industry. The Board's six contractors are given delivery dates, to which they are expected to adhere. All fruit moves through central packing plants where each grower receives the same average price for the particular type and grade of fruit delivered. The Board also determines on which foreign markets to sell, the quantities for direct sale or consignment, and establishes ocean shipping schedules.

The CMB controls Israeli citrus marketing to such an extent that it is illegal to remove more than 100 pieces of fruit from any orchard without the permission of the Board or one of its contractors. Production on any grove of over a quarter of an acre must be marketed through one of the six approved contractors, and during the harvesting season, checkpoints are maintained along roads so that inspectors can ensure that no fruit is being moved without a Citrus Marketing Board license.

Israel is aiding its citrus production through irrigation projects. Trees above are watered from lengthwise pipes.

All citrus now moves through central packinghouses where the fruit is carefully sized and inspected before boxing.

Other services and prerogatives of the Board include the granting of long-term credits to contractors for the construction of packing plants, short-term production credit to growers, aid in pest and disease control, a monopoly on the import of citrus packing materials, and the setting of prices for fresh and processing fruit. The Board does not regulate the size of the planted area, nor does it allot irrigation waters—these are controlled directly by the Ministry of Agriculture.

Promotion activities

Israel's Citrus Board now has an annual foreign market development budget of some $1.25 million, against total export sales of $73 million in 1962-63. The budget is based on a set levy for each box exported, and is in excess of the cost needed to maintain offices in London, Rotterdam, Antwerp, Hamburg, Munich, Geneva, and Paris.

Market development activities vary from advertising in magazines, newspapers, trade journals, radio, and television to roadside billboards and instore displays. The Board also participates in trade fairs, organizes retailer contests, and donates fruit to charitable organizations. Promotional campaigns are based on stressing the high quality of the Jaffa (Shamouti) orange, the main citrus export. Quality control is aided by the strict government inspection of fruit in the central packing plants through which all fruit now moves. Each individual export fruit is also stamped with the word "Jaffa" to aid the consumer in distinguishing Israeli from other citrus fruit. Such promotional activities have helped Israel obtain good markets overseas.

Crates of "Jaffa" citrus are stowed aboard ocean liner for shipment to Israel's many foreign markets. Each individual fruit is stamped with word "Jaffa" to help consumers distinguish Israeli from other citrus. All fruit exports from Israel undergo strict quality inspection.

Photos courtesy of Mirlin-Yaron, Tel Aviv

California Rice Industry Works Toward Repeat On First Big Sale of Rice to Japan Since '55

California rice growers are eyeing the renascent Japanese market with interest these days following the purchase in mid-spring of 95,000 metric tons of California Pearl rice (milled basis)—Japan's first substantial purchase of U. S. rice since 1955. This was Japan's largest import of rice from the United States—or any other supplier—in recent years.

Officials of the California Rice Growers Association went to Tokyo soon after the first shipment had been received there to discuss with the Japanese Food Agency the rice's acceptability and to learn what future demands for rice might be. The Californians stated their willingness to supply rice milled to any specifications desired and to purchase Japanese rubber hullers, so that brown rice of the type preferred by Japan could be produced when desired.

The Food Agency was particularly interested in export volumes of Calrose and Pearl rice, with the possibility that future Japanese imports might well hit the figure of 100,000 metric tons a year.

U. S. rice sales to Japan once averaged 216,000 metric tons yearly (in 1951-55). These exports, however—together with those of other suppliers—fell sharply in the years following as Japan's domestic production gradually met consumption needs.

At the beginning of the 1963-64 Japanese rice year (November-October), however, a marked increase in demand for rice abruptly reversed this downward curve in imports, even though in recent years Japan has had bumper rice crops.

Per capita rice consumption jumped in 1962 from a 1956-60 average of 301.4 grams per day to 317.6 grams per day, with further rises expected to show up when official 1963 and 1964 data become available. At the same time, rising consumer income is also permitting increased purchases of "western type" foods, which can be complemented by rice rather than replaced by it.

Favoring the outlook for U. S. rice is the fact that shortly after original U. S. shipments arrived, Japanese importers wanted additional Pearl rice, but could not buy because U. S. supplies were already committed. They considered buying U. S. Nato rice, a medium-grain variety grown in the Gulf States, but the successful conclusion of negotiations with Taiwan for 75,000 tons of short-grain rice—a type generally preferred in Japan—cut off further sales opportunities for the time being for this U. S. rice type.

If the trend toward higher rice consumption continues as expected—and given the U. S. rice industry's continued willingness to meet buyer specifications—the United States could gain an important—and large—dollar rice market in Asia.

The spring-1964 sale represents this country's largest rice sale to a dollar customer for the year, since other ranking dollar buyers of U. S. rice would have to almost double their 1963 purchases in 1964 to approach Japan's 95,000-ton import: i.e., South Africa, No. 1 U. S. rice customer in 1963, bought 51,000 metric tons that year from the United States.

New U.S. Lemon Export Grade To Promote Sales to Europe

A new U.S. export grade for lemons—expected to go into effect in mid-August—will help U.S. lemons achieve comparability with grades currently being marketed in Europe, thus helping to promote U.S. lemon exports.

The new grade—which will be similar in quality to Category I Common Market Quality Standards for Citrus—was developed at the request of the U.S. citrus industry.

It will feature a new export color definition, requiring the area of greenish-yellow color to be greater than the area of green on each individual fruit, with an additional 10 percent tolerance provided for off-color. It will also provide a new shape requirement for grades U.S. No. 1 and Export No. 1, to make them conform more closely in shape to those sold in Europe.

In 1962, Western Europe imported 9 million boxes of lemons (compared with the 1951-55 average of 6 million), largely from Italy and Spain. The U.S. share of the '62 market was 1 million boxes, 13 percent lower than the previous calendar year, primarily because imports by West Germany, Europe's largest market, were down. France and the U.K. were next largest.

Market for U.S. Inedible Fats in Thailand Seen Expandable

U. S. tallow may now have an opportunity to regain part of the Thailand market which, since 1957, has been largely lost to Australia.

One of Thailand's larger soap factories, now using 50 metric tons of tallow a month, expects to sign new contracts with additional licensed toilet soap brands which will up its needs to 100 metric tons (worth about $13,000 to U. S. dealers). Reportedly, Australia has just sold a large volume of tallow to the USSR, which may well make future Austrialian prices higher, and delivery more uncertain. U. S. prices are competitive, but long-distance shipping costs usually put them above those of Australia.

However, according to S. H. Work, U. S. Agricultural Attaché at Bangkok, most Thai importers feel U. S. exporters to Thailand (of all products) should be willing to begin with small volume sales, meet buyer specifications precisely, be persistent in selling efforts, deliver as contracted for, and respond promptly to inquiries whether the answer be negative or positive. Nonobservance is said to have detracted from U. S. business in the past. Reportedly, exporters like Japan, the Netherlands, and Australia "leave no stone unturned, however small."

In 1962, Thailand bought 3,278,000 pounds of inedible fats from Australia, out of total 3,284,000 imports—the difference coming from the United States. Last year, the United States made no edible fat sales to Thailand, and this year (January-April) has shipped 27,000 pounds. These exports were paid for in dollars.

Report from Manila

Philippine Islands' Growing Livestock Industry Ups Potential for U.S. Breeding Stock Exports

The developing livestock industry of the Philippines presents a growing opportunity for U. S. exports. Prospects are improving for sales of breeding stock and certain feedstuffs (particularly if trade barriers are removed on such imports as grains). U. S. cattle and hogs are of types needed to improve Philippine livestock.

The most significant change and growth in the Philippine livestock industry in the past 2 years is in hogs.

Methods of production have improved substantially from largely "backyard, self-supporting" hog operations to more managed and commercialized operations. Total hog numbers as of 1964 have increased to an alltime high of about 10.4 million.

Cattle production, too, is gaining momentum. Beef cattle numbers in 1964 are estimated at 1.3 million, and are expected to continue increasing in coming years. Also, dairy cattle are now being pushed more vigorously, and some important developments may materialize in the next few years. However, carabao (water buffalo) numbers, currently estimated at 3.2 million, are dwindling and this trend is expected to continued.

Rising meat consumption

Lending impetus to the growth of the Philippines livestock industry is the increasing consumption of meat. Per capita meat consumption for 1962 is estimated by the Bureau of Animal Industry at 31.68 pounds, about 1 pound more than in 1961. A more recent figure is not available, but the increase in meat production may be used as an indication of increasing consumption. Overall meat production in 1962 is estimated at 287,921 metric tons and in 1963, 299,978 metric tons, an increase of about 4.2 percent.

However, since domestic meat production is still considerably short of present demand, and far below estimated needs for nutritional requirements, imports still account for a fairly large share of total meat consumption. In 1962, imports of meat and meat products amounted to 23.4 million pounds, a 45 percent increase over meat imports in 1961.

Coincident with the Philippines' developing livestock industry have been increased imports of breeding stock. U.S. market development has emphasized exploratory trips by U.S. cattle specialists to the Islands and of Philippine Government and industry leaders to this country.

Most of the country's breeding cattle come from Australia, with the United States a minor source, largely because distance from the Philippine market makes shipping costs high. Brown Swiss lead imports of dairy breeding cattle, followed by Holstein-Friesian and Jersey. Among beef cattle, Brahman was the leader, followed by Santa Gertrudis, and Charolais.

U. S. breeding hogs

In early 1964, U.S. breeding hogs made a significant entry into the Philippine market, and more may now follow. However, between January-September 1963, biggest imports by far came from the Netherlands, followed by Germany. The most popular breed was Landrace, then Yorkshire and Large White.

Since 1961, the Philippine Government has allowed only the importation of livestock intended for breeding purposes. This was one of the measures adopted to encourage and promote the development of the livestock industry in the country.

The government is the major customer. However, there now appears to be a shifting of importance to private customers.

This is quite noticeable with hog imports, especially, and also with beef cattle imports. The private sector has taken the initiative in hog raising and beef cattle ranching.

Significant encouragement is being given to the dairy industry through the increasing number of dairy cattle imports by the government. However, because of greater requirements of capital and feeds, lack of technical know-how, and other reasons, dairying development has proceeded much more slowly and the private sector has taken only very limited initiative.

—Lee R. Paramore
U.S. Agricultural Attaché

Meat Needs Up, Israel Buys U.S. Beef Under P.L. 480

To help meet its rapidly rising beef consumption needs, Israel has just signed an amended Food for Peace agreement with the United States providing for the purchase of $2.1 million of U.S. frozen beef under Title I, P.L. 480. Meat supplies may also be augmented by increased imports of slaughter cattle.

This purchase of approximately 3,000 metric tons of U.S. frozen beef brings Israel's imports of frozen beef so far this year to around 9,000 tons —the rest of it coming from Poland, Argentina, Yugoslavia, and Colombia. Last year's imports hit 14,135 tons, mostly from the first three countries.

Contributing to Israel's shortfall in beef have been relatively small supplies of slaughter cattle. Israel, therefore, proposes to import 500 head of cattle each month to meet import requirements of about 3,000 tons, live weight, per year. Imports of live cattle would be carried out by commercial traders. In the past 3 years, some slaughter cattle have been imported from Turkey, and a relatively large number of feeder calves from the Netherlands.

At the same time, the Israeli Government plans to put into effect a variable import levy to keep domestic cattle prices at 42¢ per pound. Under the levy, external prices could rise or fall, but domestic prices would continue at the support level.

U.S. Films on Pakistani TV

To open this fall, Pakistan's first TV system—also the first on the Indian subcontinent—will telecast educational films used by U.S. cooperating groups with agricultural market development programs in that country.

Scheduled for early showings are "Wheat Around the World" and "Bread for Breakfast," sponsored by Western Wheat Associates, and—to be announced later—films of the Soybean Council of America and the International Trade Development Board of the U.S. poultry industry.

The new TV system is to have an unusual tower which will be hinged and can be folded up when necessary to escape high-velocity winds.

TV systems already operating in the Far East are in Hong Kong, Japan, the Philippines, Thailand, and Malaysia.

W. Germany Issues Tender for U.S. Variety Meats

The German Foreign Trade Agency on July 3 issued a new import tender for all types of beef variety meats from the United States and Canada. The previous tender issued on March 26, 1964, permitted entry of frozen beef livers and beef hearts. The present tender has been extended to all beef variety meats (fresh or frozen) permitted under the German Meat Inspection Law.

Similar tenders were also published for imports from EEC countries, Denmark, and Ireland. A tender for imports of beef livers from Argentina, Brazil, and Uruguay was extended on July 2, but only for licenses already issued.

Applications for licenses from Canada and the United States may be filed until the undisclosed quota has been filled but not later than the fifth working day before the effective date of the EEC beef regulation, or at the latest on December 15, 1964. The Common Agricultural Policy (CAP) for beef is now scheduled to become effective on November 1.

Germany is the largest foreign market for U.S. variety meats. U.S. exports in 1963 to that country totaled 39 million pounds—the largest on record. Exports in the first 5 months of 1964, totaling 19.3 million pounds, continued moderately larger than a year earlier.

Argentina Purchases U.S. Tallow

Trade sources report that Argentina has recently made substantial purchases of inedible tallow in the United States, Uruguay, and Paraguay to supply the local soap industry. The sudden drop in cattle slaughter in June apparently caught soap manufacturers with relatively small stocks.

Import purchases have been made possible by a recent government decree eliminating duties and surcharges on tallow, greases, and certain fatty acids. Although duties on tallow have been frequently suspended since 1960, this is the first time that significant quantities have been purchased abroad.

One trade source reports that foreign purchases thus far have reached about 5,500 metric tons, of which about 4,400 will come from the United States. The U.S. tallow will cost about $195 per metric tons, c.i.f. Buenos Aires (27.50 pesos per kg.). The price of first-grade domestic tallow rose from 25 pesos on June 1 to 32 pesos on June 12 but dropped back to 28 pesos the following week.

Argentine exports of inedible tallow during the first 5 months of 1964 were 19,741 tons, compared with 9,048 in the same period of 1963. The bulk of these were made during the first 3 months, mainly to Brazil, Colombia, Italy, and Chile.

Danes To Export More Pork, Less Beef

Increased production of pork in Denmark is expected to result in another gain in that country's pork exports. Output and exports of beef, however, probably will decline.

Danish exports of hogs and of bacon and pork in 1964 are likely to exceed the 519 million pounds, carcass weight basis, exported in 1963. Exports rose from 476 million pounds in 1961 to 496 million in 1962.

Production of hogs will continue to increase, and slaughter in 1964 is expected to exceed the large kill in 1963. The British bacon quota agreement, which went into effect April 1, 1964, provides Denmark a quota of 286,500 long tons of bacon per year plus 48 percent of a reserve of 5,600 tons and 47 percent of any future increase in British bacon consumption. This quota probably will not be sufficient to absorb the expected larger production in 1964, and Denmark will have larger supplies of fresh pork and canned pork products for export to other markets.

Exports of canned pork declined slightly in the fourth quarter of 1963, after a steady rise for a couple of years. Current high prices for raw materials have made it difficult for the canning industry to compete in various export markets and have probably limited exports of hams and shoulders to the United States during the last 6 months or so.

The decline in exports of canned pork is likely to be only temporary, however, since a considerable part of the increased production of hogs forecast for this summer must be utilized by the canning industry. (Hog prices are still high enough to encourage increased hog production.)

Danish beef production is expected to decline during 1964, and beef exports will probably be below 1963's. There are fewer cows on farms, and prices of dairy products are relatively high, favoring the retention of cows for milking. More calves are being fed and supplies of veal for export are expected to be about the same as in 1963. Danish prices of cattle and calves in the first quarter of 1964 were 50 to 60 percent higher than a year earlier; prices of carcass meat were up 25 to 35 percent.

Total shipments of livestock and meat products from Denmark in 1963 were equivalent to 734,000 metric tons of dressed meat, compared with 679,000 metric tons in 1962. The total may increase again this year.

DANISH EXPORTS, BY PRINCIPAL TYPES, OF LIVESTOCK AND MEAT, CARCASS WEIGHT BASIS

Item	1961	1962	1963
	1,000 metric tons	*1,000 metric tons*	*1,000 metric tons*
Hogs, bacon and pork:			
Live animals [1]	28.2	21.7	20.4
Meat, not processed	356.5	366.8	383.2
Canned, processed, etc.	91.3	107.4	115.8
Total	476.0	495.9	519.4
Cattle, beef and veal:			
Live animals [1]	99.2	86.3	100.2
Meat, not processed	53.7	82.9	99.6
Canned, processed, etc	8.6	8.7	10.5
Total	161.5	177.9	210.3
Horses, horse meat:			
Live animals [1]	8.5	5.3	4.5
Meat, not processed	.5	.0	.0
Total	9.0	5.3	4.5
Sheep, mutton and lamb	.1	.1	.0
Grand total	646.6	679.1	734.2

[1] Converted to dressed weight.
Danish agricultural statistics and statistical reports.

Australian Meat Shipments to the United States

Four ships left Australia during the first and second weeks of June with 16,705,920 pounds of beef, 1,379,840

pounds of mutton, and 38,080 pounds of lamb for the United States.

Ship and sailing date	Destination [1]	Arrival date	Cargo	Quantity
	Eastern and Gulf ports			*Pounds*
Pioneer Surf ---- June 2	Houston	July 3	Beef	67,200
			Mutton	100,800
	Charleston	8	Beef	44,800
	New York	14	Beef	405,440
	Philadelphia	16	Beef	33,600
			Mutton	69,440
	Baltimore	18	Beef	156,800
City of Adelaide - June 3	Charleston	June 30	Beef	324,800
			Mutton	432,320
	Norfolk	July 1	Beef	351,680
			Mutton	67,200
	Boston	3	Beef	589,120
	New York	6	Beef	2,974,720
	Philadelphia	13	Beef	761,600
			Mutton	33,600
			Lamb	2,240
Cap Ortegal ----- June 11	Charleston	7	Beef	573,440
			Mutton	206,080
	Norfolk	9	Beef	607,040
	Philadelphia	11	Beef	658,560
	Boston	16	Beef	322,560
			Mutton	67,200
	New York	19	Beef	6,460,160
			Mutton	201,600
			Lamb	35,840
	Western ports			
Goonawarra ----- June 3	Los Angeles	June 21	Beef	1,453,760
			Mutton	145,600
	San Francisco	28	Beef	609,280
			Mutton	22,400
	Portland	July 4	Beef	35,840
			Mutton	33,600
	Seattle	7	Beef	275,520

[1] Cities listed indicate location of purchaser and usually the port of arrival, but meat may be diverted to other areas for sale.

U.S. Cotton Exports Strong Through May

U.S. exports of all types of cotton amounted to 4,576,000 running bales in the first 10 months (August-May) of the current season. This figure is 57 percent above the 2,923,000 bales exported in the 1962-63 period and 16 percent above the average for the previous 5 seasons of 3,954,000.

Exports in May were 381,000 bales, compared with 400,000 in April and 310,000 in May of 1963.

Registrations for export in the 1963-64 season under the competitive-bid sales program through June 29, including sales of "irregular" cotton, payment-in-kind export registrations, and the 1963 crop, totaled 5,431,000 bales compared with payment-in-kind registrations of 3,269,000 bales to a comparable date a year ago.

For the season as a whole, imports of cotton appear likely to exceed by a moderate amount the 351,000 bales imported in 1962-63. Consumption this season will likely reach 365,000 bales, slightly below the 1960-61 record of 375,000 bales, but moderately above the 355,000-bale average annual consumption of the past 5 seasons. Stocks on hand at the end of the current season may be about 80,000 bales, down 10,000 from beginning stocks on August 1,1963.

The Netherlands exported 25 percent more cotton yarn in calendar 1963, although in recent weeks cotton yarn sales have lagged. Shortages of skilled labor in the Netherlands are forcing wages upward in an industry already characterized by narrow profit margins. The industry is in a state of transition, as many mills are investing in new equipment and others are considering mergers in an effort to lower unit cost of production.

U.S. EXPORTS OF COTTON BY COUNTRY OF DESTINATION

Destination	Year beginning August 1				
	Average			August-May	
	1955-59	1961	1962	1962	1963
	1,000 running bales	*1,000 running bales*	*1,000 running bales*	*1,000 running bales*	*1,000 running bales*
Austria	33	33	13	11	16
Belgium & Lux.	160	100	72	68	137
Denmark	17	13	13	12	13
Finland	22	21	13	13	9
France	360	300	180	165	337
Germany, West	475	204	101	94	371
Italy	416	376	192	179	378
Netherlands	124	106	71	69	112
Norway	10	13	10	9	12
Poland & Danzig	85	139	62	60	110
Portugal	28	18	7	6	29
Spain	171	155	(1)	(1)	14
Sweden	75	99	56	54	81
Switzerland	64	75	37	36	87
United Kingdom	525	270	139	130	234
Yugoslavia	108	175	113	113	13
Other Europe	17	9	3	6	34
Total	2,690	2,106	1,082	1,025	1,987
Australia	54	64	41	34	73
Canada	217	397	271	232	336
Chile	35	12	24	22	1
Colombia	33	1	1	1	8
Cuba	27	0	0	0	0
Ethiopia	4	13	15	15	9
Hong Kong	134	104	79	66	161
India	184	215	198	146	153
Indonesia	30	46	51	38	20
Israel	16	10	7	6	17
Japan	1,154	1,028	895	822	1,117
Korea, Repub. of	205	300	236	181	233
Morocco	10	14	8	7	13
Pakistan	14	39	8	7	5
Philippines	64	142	108	93	104
South Africa, Rep. of	26	52	19	17	29
Taiwan (Formosa)	153	256	223	153	164
Thailand	4	30	22	22	33
Uruguay	15	11	0	0	(1)
Venezuela	2	16	5	4	11
Vietnam [2]	2	30	36	30	62
Other countries	27	27	22	8	40
Total	5,100	4,913	3,351	2,923	4,576

[1] Less than 500 bales. [2] Indochina prior to 1958. Includes Laos and Cambodia.

The Netherlands Uses More U.S. Cotton

Cotton imports into the Netherlands in the first 8 months of the 1963-64 season totaled 239,000 bales (480 lb. net) —up 9 percent from the 220,000-bale intake during the comparable period of 1962-63. The U.S. share of the Dutch market increased to 85,000 bales or about 36 percent of total imports, compared with 54,000 bales or 24 percent of the total a year earlier.

Quantities imported from principal sources other than the United States from August 1963 through March 1964, with corresponding 1962-63 figures in parentheses, were Brazil 43,000 bales (50,000), Peru 19,000 (18,000), Nigeria 17,000 (9,000), Turkey 12,000 (11,000), Greece 10,000 (3,000), Argentina 7,000 (3,000), Syria 6,000 (7,000), Mexico 6,000 (26,000), and Nicaragua 5,000 (2,000).

Decline in Dutch Dairy Trade

Exports of dairy products from the Netherlands in the first quarter of 1964 were less than those for the comparable period of 1963.

Sales of butter, at 8 million pounds, were only about

one-fourth those of a year earlier. The United Kingdom reduced its purchases to 6 million pounds from 9 million and West Germany, from 5 million to 2 million. No sales were made to Italy or Morocco, which a year ago took 6 million pounds and 4 million, respectively. Sales to other markets also declined sharply to 441,000 pounds from 5 million.

Exports of cheese were down 11 percent to 54 million pounds. Most of the decline was in shipments to West Germany, which took 23 million pounds compared with 29 million last year, and to France, 867,000 pounds against 3 million. Sales to Belgium of 10 million pounds and to the United States of 1 million pounds were the same in both years. The United Kingdom increased its purchases by 1 million pounds to 5 million. Although sales to Japan, Greece, and Algeria were small, they were up slightly.

Canned milk shipments, at 164 million pounds, were just under the earlier year. Sales to Malaysia were sharply reduced to 14 million pounds from 18 million. Thailand's purchases, at 19 million pounds, were also down by 4 million. Among the countries taking larger quantities in this period were the Philippine Republic, 14 million pounds compared with 8 million; Burma, 10 million (6 million); Cuba, 9 million (2 million); and Ceylon, 5 million (3 million).

Exports of dry whole milk declined 12 percent to 18 million pounds, mainly because of a decline in shipments to Venezuela, the leading market, from 4 million pounds to 3 million.

West German Import Tender for Cheese

On July 8, 1964, the West German Government announced in *Der Bundesanzeiger* (the Federal Announcer) an import tender for Cheddar cheese from the United States, Australia, Canada, New Zealand, and South Africa. Applications for licenses are open until July 20, 1964. Individual applications for imports from Canada and the United States cannot exceed DM100,000 (about U.S. $25,000). Licenses will be valid until the EEC Dairy Regulations become effective but not later than December 31, 1964.

Japanese Imports of U.S. Poultry Meat

Japanese imports of U.S. poultry meat in May amounted to 372,577 pounds compared with 156,487 in May 1963. This brings January-May imports from the United States to 6,223,577 pounds against 321,487 in the 1963 period. The sharp gain from last year was largely the result of importers' building up their stocks in anticipation of the April increase in the Japanese import duty.

India Bans Futures Trading in Some Oilseed Products

Effective June 1, the Government of India banned futures trading in 14 agricultural commodities, including peanuts, peanut oil, rapeseed, mustardseed, sesameseed, and cottonseed cakes. Outstanding futures contracts in these commodities were closed at rates prevailing on June 1. The measure is intended to curb speculative activity and thus check the prevailing upward trend of prices in vegetable oilseeds, oils, oilcakes, and food grains.

The reaction to the measure thus far has been negative, and there has been no significant decline in prices of the affected commodities. While the government blames traders for the prevailing inflationary conditions, traders attribute the rising prices to the growing inbalance between supply and demand resulting from almost stabilized production as against a rapidly growing population.

Yugoslavia's Tobacco Imports Off Slightly in 1963

Yugoslavia imported 21.2 million pounds of leaf tobacco in 1963—just a little under the record 21.8 million for 1962. Most imports consisted of low-grade flue-cured leaf from India and oriental tobaccos from Turkey, Greece, and Bulgaria. The large imports of the past 2 years have enabled Yugoslavia to maintain export shipments, despite the shortfall in domestic production resulting from blue-mold damage to the 1961 and 1962 crops.

YUGOSLAVIA'S TOBACCO IMPORTS, 1961-63

Origin	1961	1962	1963[1]
	1,000 pounds	*1,000 pounds*	*1,000 pounds*
India	—	8,124	15,994
Turkey	—	6,105	2,302
Greece	—	4,830	1,999
Bulgaria	838	2,755	860
Others	—	0	2
Total	838	21,814	21,157

Angolan Cigarette Output Up

Cigarette output in Angola continued upward through 1963. Production last year amounted to 3,029,000 pounds—up 9.8 percent from the 2,758,000 produced in 1962. However, output of cut tobacco continued downward, dropping to 57,000 pounds from 126,000.

German Leaf Tobacco Usings Up Somewhat

Usings of leaf tobacco by West German and West Berlin manufacturers during 1963 totaled 273.2 million pounds—up 1.3 percent from the 1962 level of 269.8 million. The gain over the 1962 level, in terms of both absolute quantity and percentage, was the smallest during the last decade.

Larger usings in cigarettes more than offset the decline in combined usings for the production of cigars, smoking mixtures, and chewing tobacco. Leaf used in cigarettes totaled 197.9 million pounds, compared with 192.5 million in 1962, and accounted for 72.4 percent of total usings—slightly more than the 71.3 percent for the previous year.

WEST GERMAN USINGS, BY PRODUCT, OF UNMANUFACTURED TOBACCO

Product	1961	1962	1963[1]
	1,000 pounds	*1,000 pounds*	*1,000 pounds*
Cigarettes	185,433	192,519	197,913
Cigars	60,322	58,567	57,011
Smoking mixtures	18,594	18,413	17,970
Chewing tobacco	198	220	189
Snuff	157	126	126
Total	264,704	269,845	273,209

[1] Preliminary; subject to revision.

Usings of U.S. leaf in 1963 totaled 80.0 million pounds, compared with 76.9 million in 1962, and accounted for 29.3 percent of total usings, compared with 28.5 percent in 1962 and 28.2 percent in 1961. Also, the U.S. percentage share of total usings of imported leaf turned upward after showing a downward trend for many years. It was 31.8 percent, compared with 31.5 percent in 1962, 31.8

percent in 1961, and 32.9 percent in 1960.

Usings of oriental leaf declined for the second consecutive year and amounted to 68.8 million pounds, compared with 70.3 million in 1962 and 70.9 million in 1961. As a percentage of total usings, oriental leaf represented 25.2 percent in 1963, compared with 26.1 percent in 1962 and 26.8 percent in 1961.

Use of Latin American, Rhodesian, Italian, and Indonesian tobaccos was also down slightly from the previous year, while that of other imported foreign leaf—particularly Japanese, Canadian, Chinese (Taiwanese) and Thai—was up significantly. Use of Rhodesian leaf dropped from 20.7 million pounds in 1962 to 20.4 million in 1963 but was still above the 18.2 million in 1961.

Use of domestic leaf, at 21.6 million pounds, was down 15.6 percent from the 25.6 million pounds of 1962. The combined use of blended filler and homogenized leaf totaled 8.1 million pounds—up 1 million.

WEST GERMAN USINGS, BY TYPE OF LEAF, OF UNMANUFACTURED TOBACCO

Origin	1961	1962	1963 [1]
	Million pounds	*Million pounds*	*Million pounds*
United States	74.6	76.9	80.0
Oriental leaf [2]	70.9	70.3	68.8
Exotic leaf [3]	19.0	19.9	19.7
Indonesia	9.7	8.5	7.4
Italy	19.0	19.6	15.7
Japan	7.1	7.6	8.4
Rhodesias-Nyasaland	18.2	20.7	20.4
Other foreign leaf	11.0	13.6	23.1
Blended filler	2.4	3.4	4.1
Homogenized leaf	2.9	3.7	4.0
Domestic leaf	29.9	25.6	21.6
Total	264.7	269.8	273.2

[1] Preliminary; subject to revision. [2] Tobacco originating in Greece, Turkey, Bulgaria, Yugoslavia, and the USSR. [3] Tobacco originating in the Central and South American countries, mostly Brazil, Colombia, the Dominican Republic, Cuba, and Mexico.

Stocks of unmanufactured tobacco held by manufacturers and dealers on December 31, 1963, amounted to 319.9 million pounds, compared with 313.5 million held on the same date for 1962. Stocks of U.S., oriental, exotic, Indonesian, and other imported foreign leaf were up slightly from the previous year, while stocks of blended filler, homogenized leaf, and domestic leaf were down a little.

U.S. Tobacco Exports Rise in May

U.S. exports of unmanufactured tobacco in May 1964, at 31.3 million pounds, were 12.8 percent above the 27.7 million shipped out in May a year earlier. Export value was $23.1 million, compared with $20.3 million last year.

Exports of both flue-cured and burley tobaccos were larger in May 1964. Flue-cured exports, at 23.5 million pounds (export weight), were up 14.6 percent, and burley exports, at 4.0 million, rose slightly. Exports of Virginia fire-cured, Maryland, and cigar leaf also rose, but those of Kentucky-Tennessee fire-cured and Black Fat dropped.

For the first 5 months of calendar 1964, exports totaled 157.7 million pounds, compared with 134.3 million for the January-May period of 1963. In the first 11 months of fiscal 1964, exports were 488.0 million pounds—up 12.9 percent from those for the same period of fiscal 1963.

U.S. exports of tobacco products in May 1964 were valued at $10.5 million, compared with $12.9 million in May 1963. Exports of cigars and cheroots, smoking tobacco in packages, and smoking tobacco in bulk were larger than those of May 1963; exports of cigarettes and chewing tobacco and snuff were smaller.

U.S. EXPORTS OF UNMANUFACTURED TOBACCO
(Export weight)

Kind	May		January-May		Percent change from 1963
	1963	1964	1963	1964	
	1,000 pounds	*1,000 pounds*	*1,000 pounds*	*1,000 pounds*	*Percent*
Flue-cured	20,524	23,515	98,973	119,249	+20.5
Burley	3,940	4,040	16,992	14,818	—12.8
Dark-fired Ky.-Tenn.	941	387	5,082	6,970	+37.2
Va. fire-cured [1]	31	184	2,561	1,990	—22.3
Maryland	849	951	3,307	4,204	+27.1
Green River	—	79	221	314	+42.1
One Sucker	4	7	73	56	—23.3
Black Fat etc.	562	430	1,909	1,257	—34.2
Cigar wrapper	360	681	1,879	2,522	+34.2
Cigar binder	38	50	463	977	+111.0
Cigar filler	66	84	134	159	+18.7
Other	417	878	2,712	5,174	+90.8
Total	27,732	31,286	134,306	157,690	+17.4
	Mil. dol.	*Mil. dol.*	*Mil. dol.*	*Mil. dol.*	*Percent*
Declared value	20.3	23.1	103.7	120.7	+16.4

[1] Includes sun-cured.
Bureau of the Census.

U.S. EXPORTS OF TOBACCO PRODUCTS

Product	May		January-May		Percent change from 1963
	1963	1964	1963	1964	
					Percent
Cigars and cheroots *1,000 pieces*	2,790	4,420	11,647	17,874	+ 53.5
Cigarettes *Million pieces*	2,640	1,890	9,456	9,404	— .5
Chewing and snuff *1,000 pounds*	70	49	257	173	— 32.7
Smoking tobacco in pkgs. *1,000 pounds*	92	152	317	604	+ 90.5
Smoking tobacco in bulk *1,000 pounds*	801	1,211	4,097	3,643	— 11.1
Total declared value *Million dollars*	12.9	10.5	47.1	48.4	+ 2.8

Bureau of the Census.

Rhodesian Flue-Cured Auction Prices

Prices of Rhodesian 1964-crop flue-cured tobacco at the Salisbury auctions averaged the equivalent of 32.9 U.S. cents per pound for the 17th week. This represents a downturn in prices, which had averaged 34.4 cents for the 15th week and 34.3 for the 16th week. For the 17th week of last year, prices averaged 51.8 cents.

A total of 164.5 million pounds had been sold this year from the beginning of auctions through the 17th week, at an average of 33.4 cents per pound. Sales through the 17th week last year were 149 million pounds, at an average of 49.5 cents.

United Kingdom Sets Apple and Pear Quotas

The United Kingdom has announced import quotas for fresh apples and pears from the relaxation and dollar area (which now includes Japan, as well as all other non-Commonwealth countries outside the Communist Bloc).

The apple quota is set at 304,000 British hundredweight (British cwt. equals 112 lb.) for the period July 1, 1964, through December 31, 1964. The pear quota is 560,000 British cwt. for July 1, 1964, through June 30, 1965. These are the same as amounts for the similar periods of 1963.

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